

Congress of the United States
Washington, DC 20515

September 25, 2013

Senator Mary Landrieu
703 Hart Senate Office Building
Washington, DC 20510

Senator David Vitter
516 Hart Senate Office Building
Washington, DC 20510

Dear Senators Landrieu and Vitter:

The President has nominated Ron Binz to serve as the Chairman of the Federal Energy Regulatory Committee (FERC). While FERC may appear at first blush to be an obscure federal bureaucracy, in truth, it wields significant power over the future of the natural gas industry. As an activist chairman opposed to the use of fossil fuels, Binz could pose a serious threat to the natural gas industry. In light of his activist past, many on the right and left have expressed concern for his ability to make unbiased decisions as FERC's top regulator. Accordingly, we respectfully request that you withhold your support for his nomination.

As you know, development of the natural gas industry in our state is critical to sustain its economic growth. Louisiana is home to the Haynesville Shale gas formation, which encompasses over 9,000 square miles and is the second largest natural gas shale formation in the United States, containing up to 251 trillion cubic feet of natural gas.¹ In 2009 alone, energy companies brought over \$7 billion of economic activity to Louisiana with over \$957 million in lease payments and another \$306 million in royalty payments.² The extraction activities helped the state create over 57,000 new jobs.³ Moreover, the abundance of natural gas resources has led to a virtual manufacturing renaissance in Louisiana where, to date, some \$62.3 billion in new capital investments have been announced.⁴ Additionally, the construction of the recently-announced natural gas induced projects is estimated to generate an economic benefit of over \$29.7 billion in economic output over a nine-year period (2011-2019), a cumulative increase of some 214,670 jobs, and \$9.3 billion increase in wages.⁵ At the helm of FERC, Mr. Binz could easily stall this critical economic boom to our state's economy, either by adding additional red tape or delaying permits for pipeline and liquefied natural gas (LNG) facilities. In addition, Mr. Binz could potentially unduly influence policies that favor one energy source over another, resulting in Louisianans being forced to pay more for their utility bills than necessary.

¹Dr Loren C. Scott & Associates, Economic Impact of the Haynesville shale on the Louisiana Economy, (April 2010). <http://www.loga.la/pdf/Economic%20Impact%20of%20HS.pdf>

² Energy From Shale, Haynesville Shale. <http://www.energyfromshale.org/hydraulic-fracturing/haynesville-shale-gas>

³ Allison Good, New Possibilities are opening for Louisiana's energy industry economist says, (2011). http://www.nola.com/business/index.ssf/2011/08/new_possibilities_are_opening.html

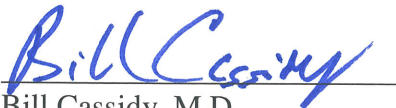
⁴ David Dismukes, Unconventional Resources and Louisiana's Manufacturing Development Renaissance, (2013), 7. http://www.enrg.lsu.edu/files/images/publications/online/2013/ANGA_Report_11Jan2013.pdf

⁵ Id, 8.

The strong production in Haynesville stands in marked contrast to the anemic development of natural gas on federal lands, which has decreased during the Obama Administration due to excessive red tape.⁶ Instead of creating a hospitable environment to the natural gas industry, the President has instead diverted billions of dollars to prop up alternative energy investments, such as Solyndra and Fisker.⁷ Unfortunately, it appears that Mr. Binz may follow the President's lead in erecting barriers to the development of natural gas. Despite careful statements at his confirmation intended to convince Senators that he is a proponent of natural gas, Binz had already revealed his true beliefs. In one instance, Binz declared that natural gas is a "dead-end" after 2035.⁸ Additionally, it appears that he favors a future where renewable energy provides 80% of our primary energy use, irrespective of cost or other factors.⁹ That would, of course, necessitate precipitous drops in natural gas production and usage.

In light of these concerns over Mr. Binz's neutrality, and the significant damage that he could inflict on the Louisiana economy as the head of FERC, we respectfully request that you oppose his nomination.

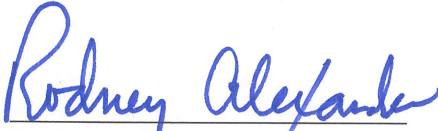
Sincerely,



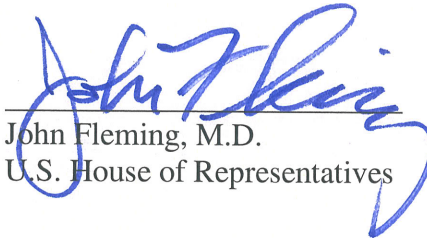
Bill Cassidy, M.D.
U.S. House of Representatives



Steve Scalise
U.S. House of Representatives



Rodney Alexander
U.S. House of Representatives



John Fleming, M.D.
U.S. House of Representatives

⁶ Marc Humphries, U.S. Crude Oil and Natural Gas Production in Federal and Non-Federal Areas, (2013), 4.
<http://energycommerce.house.gov/sites/republicans.energycommerce.house.gov/files/20130228CRSreport.pdf>

⁷ Matthew Mosk, Signs of Solyndra? Fisker Lays Off 75 Percent of Employees, (April 2013). <http://abcnews.go.com/Blotter/signs-solyndra-fisker-lays-off-75-percent-employees/story?id=18889485>

⁸ Wall Street Journal, Target: Natural Gas, (2013).

<http://online.wsj.com/article/SB10001424127887324009304579043063675186946.html>

⁹ Id